

Top Secret

PCB



National Intelligence Bulletin

OSD review
completed.

1

State Dept. review
completed

Top Secret

June 26, 1974

25X1

Copy **Nº 631**

Page Denied

National Intelligence Bulletin

June 26, 1974

CONTENTS

25X1

FRANCE: Political leaders of left and right harshly criticize NATO declaration. (Page 2)

USSR-CHINA: Moscow's chief negotiator on border issues returns to Peking. (Page 3)

25X1

ISRAEL-FEDAYEEN: Israelis retaliate for terrorist raid on Nahariya. (Page 5)

NETHERLANDS: Split over proposed defense cuts could topple government. (Page 6)

PORTUGAL: Government seeks to halt take-over of local governments by Communists. (Page 8)

PAKISTAN-BANGLADESH: Two leaders to meet, but deep animosities remain. (Page 10)

FOR THE RECORD: (Page 12)

OSD review
completed.

Page Denied

National Intelligence Bulletin

June 26, 1974

FRANCE

French political leaders of the left and right have harshly criticized the NATO declaration that President Nixon and other heads of government will sign today in Brussels.

The French politicians claim the declaration compromises France's independence and implies that President Nixon has the authority to speak for Paris and other West European governments at the Moscow summit. French President Giscard d'Estaing has no intention of reversing his government's decision to sign the declaration. These attacks, however, underscore the difficulties he faces in trying to improve the tone of relations with Washington.

Orthodox Gaullists are among the most bitter critics. Former defense minister Michel Debre termed the declaration another US tactic to subjugate Europe and bring it under US-Soviet hegemony. Former foreign minister Michel Jobert has joined Debre, reiterating that Paris needs to pursue a policy of national independence. Jobert spoke of the "subtle loss of liberty" that results "when one tries to please."

Critics on the left have raised their voices in a similar key. Socialist Party leader Francois Mitterrand spoke pejoratively of the "renaissance of Atlanticism" that the declaration entails. Communist Party chief Georges Marchais insisted that the National Assembly give its approval before the government signs the document that he says threatens to involve France in "interventions and provocations" by the US beyond the region covered by the NATO treaty.

All of these political figures are outside the government and share only a desire to put Giscard off balance. Independence from Washington is a popular theme, and it will be difficult for Giscard to counterattack without appearing subservient to the US.

25X1

National Intelligence BulletinJune 26, 1974

USSR-CHINA

Moscow sent its chief negotiator on border issues with China back to Peking yesterday. Deputy Foreign Minister Ilichev, who has represented the Soviets since the talks began in 1969, had not been in Peking for almost a year. The timing of his return strongly suggests that one of Moscow's main purposes is to demonstrate, prior to the summit meeting with President Nixon, that it can still deal directly and possibly constructively with Peking. The Soviets may also hope that Ilichev's trip will forestall any embarrassing flare-up in Sino-Soviet relations during the President's visit.

With Ilichev's return in mind, the Soviets have placed in the leading Polish newspaper a long article outlining the border issue between the USSR and China. The purpose of the article, which is being excerpted by the Soviet media, is to convey the Soviet line on the problem without directly tying Moscow to any particular position at this time. The use of a Polish stand-in presumably is meant to be less offensive to the Chinese than if the Soviets had stated their case directly.

There is no evidence that either the Soviets or the Chinese are prepared to make concessions that would move the border talks off dead center. The Polish newspaper article, for example, reiterates the Soviet position that the two sides should confine themselves to "specifying" the frontier line that was "legally established" by pre-revolutionary Russian-Chinese treaties.

25X1

Page Denied

National Intelligence BulletinJune 26, 1974



25X1

ISRAEL-FEDAYEEN

Israeli artillery shelled several towns in southern Lebanon yesterday in retaliation for the Arab terrorist raid on the Israeli resort town of Nahariya, according to press reports. Hardest hit in the barrage was the town of Jouaya, 12 miles from the Israeli-Lebanese border. Press reports from Beirut said losses were heavy.

Earlier in the day, the Israeli Knesset had ruled that Lebanon or any other state harboring terrorists bears equal responsibility with the terrorists for their actions. Israeli Premier Rabin told the Knesset that the Arab terrorists who seized the apartment building in Nahariya Monday night had infiltrated by sea from Lebanon.



25X1

National Intelligence Bulletin

June 26, 1974

NETHERLANDS

The Netherlands has conceded several points as a result of severe NATO criticism of the Defense White Paper submitted for consultation last month. The allies are still unhappy, however, over planned air defense redeployments, equipment modernization schedules, and The Hague's demand for NATO comments on the paper by June 28.

At a meeting of the Defense Planning Committee on June 24, the Netherlands' permanent representative, Hartogh, announced that his government had decided to maintain present active army strength and to continue the mechanization of the 5th Division, a largely reserve unit committed to NATO. Original plans called for its phased disbandment and a reduction in combat-ready battalions. These decisions are in line with Defense Minister Vredeling's previous statements that no ground-force reductions will be implemented until MBFR negotiations have been concluded satisfactorily.

The Hague's willingness to study with NATO military authorities how best to redeploy missile units from the NATO air defense belt to airfield defense in the Netherlands was received unenthusiastically by the Defense Planning Committee. While it was agreed that NATO would provide comments to The Hague by June 28 for cabinet consideration, Secretary General Luns pointed out that NATO had never been asked to comment on such far-reaching proposals in so short a time. NATO's reply will be labeled provisional, but Hartogh said there is no allowance in the cabinet's decision for further concessions.

NATO authorities probably will still criticize other aspects of the Dutch plan, including the reduction of the term of service for conscripts from 16 to 12 months, the redeployment of air defense units, the extension of the timetable for naval modernization, and the apparent intention to reduce some air and naval personnel--categories not included in the MBFR negotiations in Vienna.

National Intelligence Bulletin

June 26, 1974

Hartogh repeated during his presentation The Hague's warning that smaller allies will be unable to stand the economic burdens of defense in the next decade if current NATO policies are continued. He urged that a study be undertaken concerning the implementation of NATO strategy in the 1980s. He said that, at the least, a commitment to such a study at this time is politically important to his government.

The defense issue has split the Dutch coalition government. On the left, the Central Committee of Prime Minister den Uyl's Labor Party implied on June 15 that it would withdraw its support--and probably thus topple the government--if substantial cuts in defense expenditures are not made. Another leftist coalition partner, the Radical Party, voted on June 22 to withdraw from NATO. The Radicals favor extensive defense cuts. The two pro-NATO centrist coalition parties, on the other hand, are threatening to leave the government if a plan satisfactory to NATO is not reached.

None of the coalition partners wants an early election, and this will provide an incentive for compromise, but they must show more than their usual flexibility to prevent collapse of the government.

25X1

National Intelligence Bulletin

June 26, 1974

PORTUGAL

The Portuguese government is moving to halt the takeover of local governments by the Communists and the abuse of civil liberties by left-wing organizations.

Control of local governments is a big prize in the political maneuvering. The US embassy in Lisbon estimates that a Communist-front organization called the "Democratic Electoral Commission" has gained control of a third of Portugal's 304 town councils. The commission took over the councils by organizing "public discussions" to nominate slates of candidates, which were then "selected" in orchestrated elections.

The minister of internal administration, Magalhaes Mota, has refused to verify the credentials of some officials selected by this process. Mota, one of the founders of the recently formed centrist Popular Democratic Party, has been accused by the Communists of misusing his authority for the benefit of his party.

The government has also moved to clamp down on Communists and other leftists who have gone too far in taking advantage of the new civil liberties in Portugal. On June 14 the government took over the management of a television station, and the key positions in the radio network were taken over by military officers last week. Other leftists have been arrested for a wide range of offenses ranging from trying to persuade soldiers to desert to inciting labor unrest.

Despite the Communists' success in gaining representatives in the provisional government--and thereby a degree of respectability in the eyes of the public--they have not yet been able to assume a decisive role in the nation's political life. In a recent analysis of the Portuguese power structure as it has developed under the provisional government, the US embassy notes that the public impression of activity and popular approval created by Communists and others on the left is well out of proportion to their numerical strength and influence.

National Intelligence Bulletin

June 26, 1974

During recent speaking tours around the country, junta members have counseled moderation by all groups and have made it clear to the political parties, labor, and potential dissidents of all stripes that stern measures will be invoked if necessary to maintain order. [REDACTED]

[REDACTED]

25X1

25X1

National Intelligence Bulletin

June 26, 1974

PAKISTAN-BANGLADESH

Deep-seated suspicion and animosity will probably slow moves toward conciliation during the talks between prime ministers Bhutto and Mujibur Rahman beginning Thursday in Dacca. The two leaders also may have differing perceptions of what the discussions should accomplish, with Mujib seeking specific goals while Bhutto views the meeting more as another step toward improved political relations.

The division of prewar Pakistan's assets and liabilities is the most important remaining bilateral issue to be resolved, but both leaders probably realize that the problem is too complex to be decided in a few days. They can be expected to concentrate on less difficult matters, resolution of which would lay the foundation for future tough bargaining on assets and liabilities by lower level officials.

On the eve of their talks, Mujib and Bhutto appear likely to make progress toward establishment of full diplomatic relations, including the exchange of ambassadors; restoration of telecommunications, postal, and travel links; and resumption of trade.

Mujib will try to persuade Bhutto to agree to accept more of the approximately 400,000 Biharis--non-Bengalee Muslims--who still wish to relocate in Pakistan. This would relieve Bangladesh of a serious financial burden and alleviate a festering social problem. Bhutto has already accepted some 140,000 Biharis, however, and will be reluctant to take many more, arguing that to do so could well create social disturbances in Pakistan. Actually, he probably could accept a substantial number of additional Biharis without risking serious domestic repercussions.

In view of Dacca's desperate financial position, Mujib will stress economic issues early in the discussions.

25X1

National Intelligence Bulletin

June 26, 1974

25X1

[REDACTED]

Mujib enters the negotiations at a disadvantage on several fronts, the most important of which is Bhutto's superior negotiating ability. Mujib, moreover, has little to offer Pakistan except closer ties with a "brother" Muslim country in South Asia. This, nevertheless, could be attractive to Bhutto, who hopes to wean Bangladesh from India and thus partially redress the balance of power on the subcontinent. Mujib will move cautiously in order not to offend his Indian benefactors.

Bhutto was last in Dacca in March 1971, when he and then Pakistani president Yahya Khan attempted to persuade Mujib to drop his demands for greater autonomy for East Pakistan. In Bangladesh, Bhutto has incurred much of the blame for the events that followed, including Mujib's arrest and the crackdown in East Pakistan. Bhutto has claimed, however, that he was instrumental in preventing Mujib's execution while the latter was imprisoned. After assuming power in Islamabad, Bhutto ordered Mujib's release and permitted him to return to Dacca.

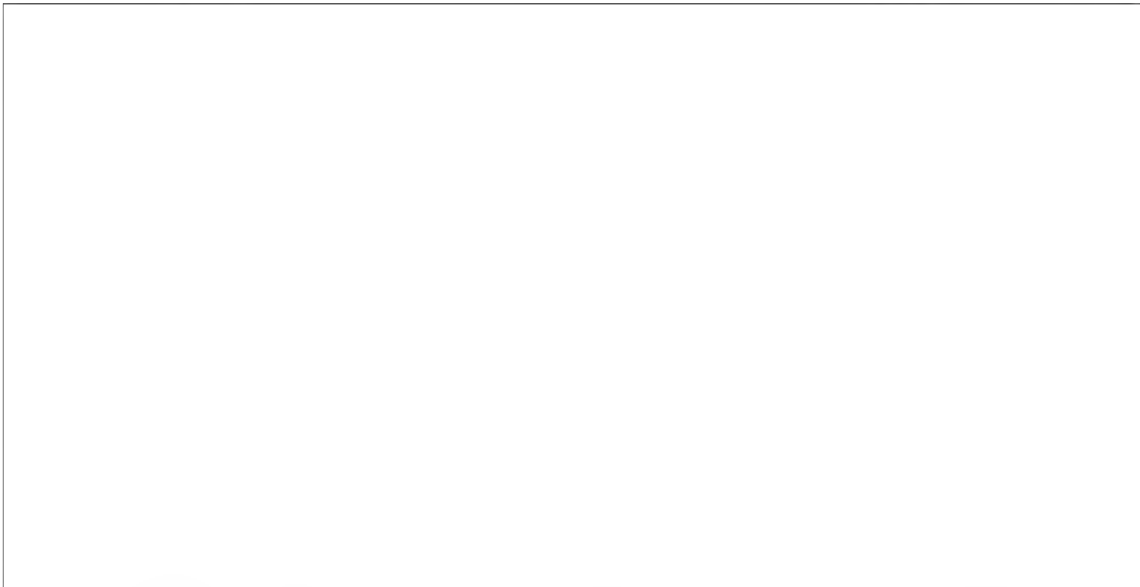
[REDACTED]

25X1

Page Denied

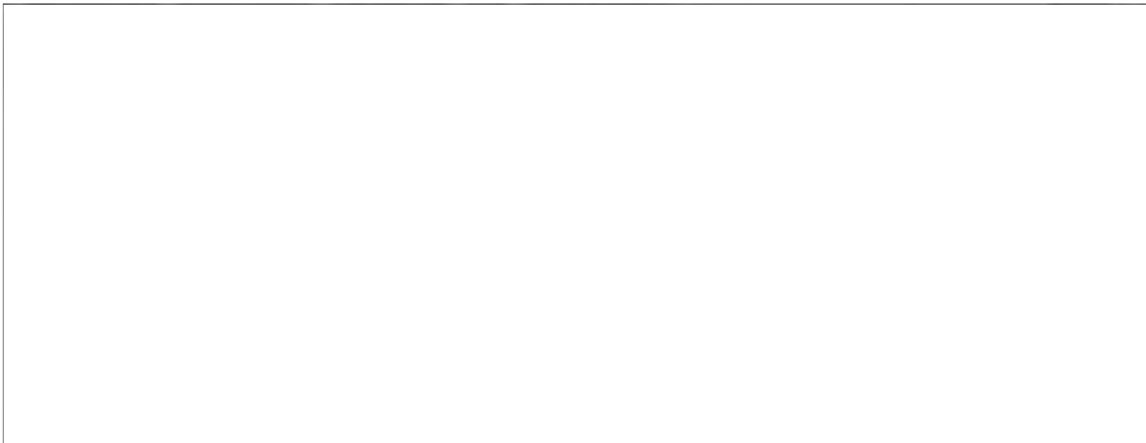
National Intelligence Bulletin

June 26, 1974



Afghanistan: Reports continue to circulate in Kabul about widespread arrests of military personnel and about unusual movements of military units and equipment in and around the capital. It is still not clear whether the arrests were prompted by an attempted coup or represent a renewed purge of President Daoud's opponents. From all indications, [redacted]

[redacted] the Daoud government remains firmly in control. [redacted]



Top Secret

25X1

Top Secret

25X1